



Department of Justice

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**MILK COMPANY CHARGED WITH RIGGING BIDS ON FLUID MILK CONTRACTS
TO SCHOOLS AND OTHER PUBLIC ENTITIES IN OKLAHOMA AND TEXAS**

WASHINGTON, D.C. -- The Department of Justice today filed a one-count felony information against Preston Dairy Inc. of Burkburnett, Texas, for participating in a conspiracy to rig bids on contracts for the sale of fluid milk to public schools and other public entities in Oklahoma. The Department also filed a one-count felony information against Preston in Texas for rigging milk bids in that state.

Today's one-count felony information filed in Oklahoma is the first federal milk bid rigging conspiracy case in that state. The information, filed in U.S. District Court in Oklahoma City, charges Preston with conspiring with others, from as early as 1982 until at least June 1988, to rig bids for contracts to supply fluid milk to public school districts and other public entities in Oklahoma, in violation of Section 1 of the Sherman Act.

Until recently, Preston Dairy was one of several dairies that supplied fluid milk to public entities in Oklahoma.

John W. Clark, Acting Assistant Attorney General in charge

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of the Antitrust Division, said the charge is the result of a federal grand jury investigation in Oklahoma City into suspected bid rigging in the dairy industry in Oklahoma.

The Department also filed a one-count felony information against Preston today for a conspiracy to rig bids on contracts to supply fluid milk to public school districts in north central Texas, including, Archer, Childress, Clay, Cooke, Cottle, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise and Young counties.

The Texas conspiracy began at least as early as 1985 and continued until at least June 1991. The information is the result of a federal grand jury investigation into suspected bid rigging in the dairy industry in Dallas/Fort Worth.

Both investigations, conducted by the Antitrust Division's Dallas Field Office with the assistance of the U.S. Department of Agriculture's, Office of Inspector General-Investigations, are continuing, Clark said.

With today's informations, the Antitrust Division has filed a total of 83 criminal cases against 47 corporations and 56 individuals in the milk/dairy products industry for bid rigging conspiracies. Cases have been brought in Florida, Georgia, North Carolina, South Carolina, Virginia, Kentucky, Illinois, Texas, Mississippi, Tennessee, Indiana and Oklahoma.

To date, 37 corporations and 41 individuals have been convicted and a total of approximately \$35 million in fines

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imposed. Total civil damages are more than \$7 million. Thirty-four grand juries in 23 states continue to investigate the milk industry.

The maximum penalty which may be imposed against a corporation convicted of a violation of the Sherman Act occurring prior to November 16, 1990, is a fine not to exceed the greatest of \$1 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime.

The maximum penalty which may be imposed against a corporation convicted of a violation of the Sherman Act occurring after November 16, 1990, is a fine not to exceed the greatest of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime.

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